

How does organizational culture influence organizational learning in a shipping company?

**Candidate name:** Jorge Mario Garzón Jiménez

**University College of Southeast Norway**  
Faculty of Technology and Maritime Sciences

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# Organizational Culture influence on Organizational Learning

## Abstract

This project targets on organizational culture and organizational learning, aiming to reveal how organizational culture influences on organizational learning within the shipping industry.

The main research question is: *How does organizational culture influence organizational learning within a shipping company?* The two research sub-questions are: *1) Which components of organizational culture are especially important for organizational learning? 2) How is organizational structure related to an organizational learning culture?*

To answer these questions, an in-depth case study of one shipping company is performed. By analysing the research questions it is deemed to start saying that every organization, regardless of region, country or sector, has a culture of its own (Russu, 1989, p. 7). According to this, organizational culture is a key factor to build-up a shifting setting within a company, not forgetting that it must match with the organization's structure, and its business strategy (Forcadell & Guadamillas, 2002).

Furthermore, if a company's culture is focalized on learning, and has a system in which its workers are able to spread knowledge, then the namely "workers" are more inclined or entrusted to learn. In relation to this, organizational learning appears when learning is transmitted from an individual to a group, and then to an organizational level. Paraphrasing (Crossan, Lane, & White, 1999), individual and organizational learning are coupled together, and the latter doesn't occur, if not individual learning firstly emerge between the workers. In conclusion, individual and organizational learning are interdependent one on each other and must meet in order to visualize organizational learning itself.

Rapid advancements in both communication and information drive most organizations for a constant dynamic change, and adaptation processes in order to remain and compete in today's

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globalized environments. Initiating a learning culture that meets the current dynamic times will definitively create a solid base for worker's involvement and organizational success.

An examination of any type of company comprising sensitive information, communication, and customer relations aside from their main purposes, are key subject elements in order to understand how does the culture of a particular company - in this case a shipping company, influences its organizational learning.

*Keywords:* Culture, learning, organizational culture, organizational learning, learning culture.

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## **Chapter 1. Introduction**

Culture represents a process, which is updated and regenerated as individuals learn the way of doing things and eventually become instructors themselves (Deal & Kennedy, 1982, p. 4). If an organization's culture is oriented on learning, and its structure permits collaborators within the organization to impart knowledge, then the working force is more inclined to feel entrusted to learn. Therefore it is of great importance for organizations to set an environment, which is appropriate to produce and renovate learning processes. In order to support knowledge creation, organizations have to harvest an organizational learning culture that gives satisfactory conditions for employees to learn. Learning processes within organizations does not take place easily, but it requires deservedly contributive environments or conditions to encourage learning through the whole organization, namely an organizational learning culture (Sin Pei, 2008).

Over the last decade, managers and researchers have increasingly recognized the importance of organizational culture as a socializing influence and climate creator (Adler & Gundersen, 2008, p. 63). Most theorists agree that organizational learning primarily occurs when individuals and teams engage in dialogue and reflection, ask questions, and identify and challenge values, beliefs, and assumptions (Raelin, 2001; Senge, 1990; Watkins & Marsick, 1993).

In summary, organizational learning is a process of knowledge acquisition and transfer, which is present within three levels: individual, group, and organizational. Finally, for learning processes to occur, there are three main conditions required: a culture that facilitates learning, a training development process, and the transference of information (Castaneda & Fernandez, 2007).

### **Why is organizational learning important for the shipping industry?**

The shipping industry, as a high-risk industry in a constant moving environment should apply learning processes continually, since the flow of information, actors, policies, procedures, etc., is rapidly growing, creating a complex system (Caschili and Medda, 2012). Hence, shipping companies must coordinate and put into practice, collective learning mechanisms by obtaining proper information and transform it into knowledge combined with experience. High-risk industries often encounter a dilemma in their endeavor to design a more safer and efficient industry. In addition, failures and mistakes within high-risk industries will regularly been not admitted given the potential disasters related to them. In order to overthrow these issues, organizations should learn as much as they can from lesser previous incidents, transfer learning in an effective way, and certainly upgrade their processes based on proactive learning (Carroll, 1998; Weick et al, 1999).

Organizational learning is a key to safety development and is informed by a risk process that acknowledges the input of all levels of the organization. Organizational redundancy is a term relating high-risk organizations such as the shipping industry. LaPorte and Consolini (1991) propose that high-risk organizations attain a solid performance by building organizational redundancy. They define organizational redundancy as an extending competence for structural and cultural components. Structural components include competences, tasks and responsibilities. While the cultural dimension includes capabilities and disposition to exchange information, feedback, and decision taking processes. According to Nonaka & Takeuchi (1995), redundancy involves information that goes further ahead common operational tasks, leading to both organizational learning and reliability. In conclusion this is of relevancy in the specific case of high-risk industries like the shipping industry.



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In addition, the International Maritime Organization (IMO), which is the United Nations specialized agency responsible for regulating shipping, has a major role in cooperating with learning processes for the entire maritime industry. As for today, its main purpose is to develop and maintain a regulatory framework including safety, environmental concerns, legal issues and efficiency. The IMO itself has to be understood as a learning actor enabling international actors such as states, international Non-Governmental Organizations, and scientific institutes, to adjust their different antagonistic interests (Dirks, 2001). During the year of 2007, the IMO has continually concentrating its activities in the adoption and put into force of international rules and standards for the safety and prevention of pollution of the marine environment and maritime security (IMO, 2008). As mentioned, IMO is a learning actor that has convinced its member states as well as the Non Governmental Organizations (NGOs) to redefine their interests. With respect of new conventions, the IMO acts as an idea-generating intermediary allowing the various actors to identify new activity options for solving problems. Furthermore, the adoption of conventions is the result of ongoing organizational learning processes, which allowed the international bureaucracy to act as an innovator of acceptable ideas to a wide range of parties. An explicit example of this is the implementation and adoption of the International Convention on Standards of Training, Certification and Watch keeping for Seafarers (STCW) amended in 1995 (Dirks, 2011).

The main research question to be discussed along this research investigation is as follows:

*How does organizational culture influence organizational learning within a shipping company?*

And the sub-questions are:

- 1). Which components of organizational culture are especially important for organizational learning?*

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### *2). How is organizational structure related to an organizational learning culture?*

This master thesis is organized in chapters, each containing subheadings of the subtopics presented. Initially, it commences with an abstract summarizing the key elements that best describe the purpose, intention and conclusion of the study. Furthermore, an introductory chapter consisting on the general background is presented along with the research questions and relevancy of the study. A second chapter addresses the theoretical review, containing state of the art theories, authors and concepts. Thirdly a methodology chapter comes along, explaining the qualitative methodologies used. Consequently, a chapter of findings is written in order to present what has been achieved along the empirical study in connection with the research questions, and a discussion chapter explaining the implications of the findings and suggestions for future research. Finally, conclusions are presented to answer the research questions and discuss limitations and further research.

## Chapter 2. Theoretical Review

In order to build the theoretical framework, an extensive literature review is performed. In the review, some of the most outstanding and mentioned articles involving organizational learning and organizational culture are cited, along with how these two main concepts interrelate, and influence on a company's performance. Undoubtedly, this was imperative, in order to grasp an overview on various theories within this singular area of knowledge and therefore formulate an upright theoretical framework for this particular master thesis.

### 2.1 Organizational Culture

According to Schein (1985, p.12), organizational culture is defined as:

*A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.*

Organizational culture consists primarily of those values, beliefs, aspirations, expectations and behaviours, which are moulded within an organization over time (Goleman, 2000). In recent years, managers and researchers have largely recognized the importance of organizational culture as a mechanism of socialization and climate builder (Adler & Gundersen, 2008, p.63). Deal & Kennedy (1984, p.4) describe culture in a simpler and more concise form: "the way we do things here." This is why according to both authors' suggestions, culture embodies a process, which is constantly updated and recreated as the newcomers learn how things are done, and eventually master their tasks. The concept of culture, seen from an organizational perspective helps us understand the relationship between culture and organizations in general. Bolman & Deal (2008) suggest that organizations have cultures and are therefore cultures themselves. Meanwhile,

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Smircich (1983) says that culture is strong, consistent, and usually has a staggering effect on organizations and employees' behaviour. Knowing that the culture of an organization directly affects employees, the human element cannot be ignored by any reason, since its crucial to effective business performance and change management. Moffet et al. (2002) indicates that creating a change in the culture of an organization; values, norms and attitudes of individuals must be modified in order to contribute to the collective organizational culture. Another relevant fact is that each organization requires different combinations of cultural values. To cite an example, if an organization is in a stage of uncertainty and ambiguity, certainly a high level of flexibility will be needed.

Organizational culture is seen as a facilitating element for learning in and from organizations (Marquardt, 1999; Marsick & Watkins, 2003). This direction of a culture in relation to learning is known as a learning-oriented culture or naturally a learning culture. In consequence, it is the type of culture a learning organization should have because as Wang, Yang and McLean (2007, p.156) affirm, "in practice, an organizational learning culture can be a vital aspect of organizational culture and the core of a learning organization"

For an organization to operate according their knowledge requirements, a culture must be settled. Tidd et al. (2001) indicates that culture is a mechanism of what people believe and how they behave. When there is a good match between these two, it will be easier to promote an innovative behaviour among individuals. If the match is not good between people's beliefs and how they behave, involving a restricted communication and inflexible hierarchical structure, automatically this acts as a barrier that paralyzes both creativity and innovation. If the culture of an organization is focused on learning, and its structure is such that employees within that organization can transmit knowledge, as a result, they will feel highly empowered to learn (Kodjo and Changjun, 2009). A learning-oriented culture continually challenges people to share their

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knowledge within the organization. "In practice, an organizational learning culture can be a vital aspect of organizational culture and the core of a learning organization" (Wang, Yang, and McLean, 2007, p. 156).

A learning culture can be defined as a culture, which is oriented in the direction of the advancement and facilitation of learning by its employees. It also boosts the sharing and disseminating of what is learned, intending at the development and success of organizations (Rebelo, 2006).

Internal integration and external adaptation are associated to the concept of culture (Schein, 1985). Internal integration exists to structure and coordinate internal processes within the organization such as leadership styles, the way work is settled up, and the available communication arrangement respectively. Meanwhile, the external adaptation refers to the orientation of the organization to its environment, where end customers, competitors and other stakeholders are involved. Both dimensions must be controlled by organizations in order to ensure their continuity and sustainability over time.

For companies to be competitive, they need to continually line-up adaptation to the external changes and integration to the internal processes respectively (Salaman, 2001, cit. in Rebelo, 2006). The organization, which includes employees and processes, needs to be strongly unified in order to assure a well response to the environmental changes. In simpler words, if the organization is not able to internally reorganize itself to react to the necessary changes, it will not be effective to be completely oriented towards following customers', competitors' and environmental movements.

In the path between internal integration and external adaptation, learning processes play a vital role. Hence, orientation towards learning needs to be present within the organization in order to permit the digestion of new information by the organizational members and a correct internal

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reorganization. (Rebelo, 2006). Finally, this is what learning organizations focus on as a form to achieve competitiveness (Easterby, Lyles & Tsang, 2008; Garvin, 2000).

### 2.2 Sub-cultures

Organizations generally have sub-cultures. They have the same components that cultures have, shared values and norms, hence they vary from the leading culture in which they are embedded. The leading culture discloses the core values that are shared by the major part of the organization. Sub-cultures tend to evolve in large organizations as a view of common problems, situations, or experiences faced by the members of a determined working group (Gregory, 1983).

Van Maanen and Barley (1985, p. 38) define a sub-culture as a “subset of an organizations’ members who interact regularly with one another, identify themselves as a distinct group within the organization, share a set of problems commonly defined to be the problems of all, and routinely take action on the basis of collective understandings unique to the group”.

Sub-cultures form because their members communicate face to face more often with one another than with other people in the organization. A certain department, for example, can have a sub-culture that is only shared by members of that mentioned group. It involves the unique values of that group, plus the main values of the leading culture (Robbins, 1987). Kilmann & Saxton (1983), propose that the group culture existing within an organization is shaped by its management, function, discipline, work process, and relationships with other sub-cultures as well with the organization's culture.

### 2.3 Organizational learning

When analysing organizational learning, it is defined as a technical or social process. The first one acknowledge that organizational learning is often related to effectiveness in processing and interpreting information inside and outside the organization. On the social point of view,

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organizational learning concentrates on the way people make sense of their experiences while working. Therefore, organizational learning is conceived as a social process once it appears from social interactions, normally in the working environment (Easterby & Araujo, 1999).

Another definition of organizational learning is seen as a change in the organization, which occurs, as it gains experience over time. In other words, it is a change in the organization's knowledge taking place as a function of experience. This definition is a meeting point to which several researchers have come, and is identified as the bottom line of many known definitions about this concept (Argote, 2013).

The concern about organizational learning has widely expanded, as it is inherently an interdisciplinary topic (Argote & Miron, 2011). Organizational learning can be perceived as primary modes of accomplishing the strategic restoration of a company. Restoration or renewal requires that organizations explore and learn new ways while simultaneously exploit what they have already learned (March, 1991).

Organizational learning analysis adds to significant advancements in various subjects including information systems, strategic management and organizational behaviour among others (Argote & Miron, 2011). This interdisciplinary direction prepares organizational learning in leading knowledge about organizations by uniting different disciplines (Argote & Miron, 2011).

Understanding why some organizations are better at learning than others is certainly a vast field yet to keep discovering. To give an explanation to the question of why there are organizations that learn more than others, it is important to note that the way the learning process is managed directly affects the levels of learning. According to Gino, Bohmer, Edmondson, Pisano & Winslow (2006), organizations that adopt new technologies or practices might "learn" in more than one dimension at the same time, making possible that various learning curves co-exist.

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Several factors may determine the dimension in which an organization learns. At first, learning may be conducted as the result of a corporate strategy, when the capability being learned is of central focus for the competitive advantage of the organization (Argote & Ingram, 2000; Teece & Pisano, 1994). Thus, organizations competing in terms of differentiation would choose to learn towards dimensions that promote innovation. Finally those concentrated on price would focus on efficiency. Certainly, learning-curve research has demonstrated an improvement on performance as a result of increased experience with the use of new technologies, routines and/or processes (Gino, Bohmer, Edmondson, Pisano & Winslow, 2006).

It is deemed that the entire organization is taken into account, not simply the individual or group, and it should be recognizable that the organization operates in an open system rather than having a merely internal point of view (Duncan & Weiss, 1979). It is the transfer of learning from individuals and groups through the learning that becomes institutionalized in the form of systems, structures, strategies, and procedures (Hedberg 1981; Shrivastava 1983). The process of institutionalizing is an organization level phenomenon. The routines and rules that make up a strong organization exist independently of any individual or individuals, and their actions are affected by these mentioned rules and routines (Berger & Luckmann 1966).

Organizational learning is an ever-changing process. Not only learning arises over time and layers, but also generates a strain between incorporating new learning (feed forward) and utilizing what has previously been learned (feedback). Through feed-forward mechanisms, new ideas and actions shift from the individual to the group levels, before ending up into the organizational level respectively. At the same time, what has been already learned flows backwards until it reaches the individual level, influencing how people think and act. Both coexisting and repetitive cycles of feed-forward and feedback processes as mentioned above, creates a tension which is explained by displaying the levels across each other (Crossan et al.,



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1999). Although learning is an individual psychological process itself, it is only possible for organizations to preserve their existence with a learning process starting at an organizational level where fierce competition and technological changes takes place (Akgün et al., 2007). Constant environmental changing aspects conduce organizations towards the necessity to learn (Öneren, 2008).

### **2.3.1 Learning Organizations**

Huber (1991) proposes that most of the relevant learning arise informally in the job, in groups, or through conversations. To make such learning possible, leaders and other key actors need to shape a learning and culture environment inside the organization.

A learning organization is a partnership where individuals constantly learn from what they do. They basically utilize their own and others experience to boost their performance. Individuals learn from both their achievements and losses. According to Kearsley and Marquardt (1999), a learning organization has a powerful capacity to collect, store, and transfer knowledge and continuously transform itself for corporate success. Definitively one of the most important factors is the usage of technology to increase both learning and productivity. Marsick and Watkins (2003, p. 138) also affirm that, “a learning organization is one that learns continuously and transforms itself where the organizational capacity for innovation and growth is constantly enhanced.”

### **2.3.2 Organizational Experience**

Learning begins with experience. The first topic that emerges within organizational learning is to characterize the experience as a valuable level along several dimensions (Argote et al. 2003). According to Levitt and March (1988) the most important dimension of experience is whether experience is acquired directly by the main organizational unit or indirectly from other units.

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Experience can be acquired either by running cutting-edge tasks or tasks that have been developed repeatedly in the past (Katila and Ahuja 2002, March 1991, Rosenkopf and McGrath 2011). On the other hand, another dimension that has caused quite a stir among the scientific community is the rarity. This involves learning of rare or unusual events (Lampel et al. 2009). Because by definition rare events do not happen frequently, they face challenges in their understanding.

### **2.3.3 The individual-organization learning**

In the early phases of organizations, organizational learning is regularly a synonym of individual learning since the organization is conformed of a small group of people and has a basic structure. As an organization grows, anyhow, a differentiation among individual and organizational learning arises, and a system of securing the learning of its individual members emerges (Kim, 1993). Argyris & Schon (1978, p. 9) express one of the main dilemmas regarding individual and organizational learning: "Organizations are not only collections of individuals, yet there are no organizations without such collections. In addition organizational learning is not only individual learning, yet organizations learn only through the experience and actions of individuals". Therefore is generally agreed that organizational learning is the output of individuals' learning (Argyris and Schon, 1978; Fiol and Lyles, 1985; Senge, 1990). Nonetheless, new thinking based on the same hypothesis, has drift the focus on the collective practices of people inside organizations, hence placing learning at the community group level taking into account the subcultures and related actions within the specific community structure (Brown and Duguid, 1991; Crossan et al., 1999; Lave and Wenger, 1991). Organizational learning occurs when learning is transferred from the individual to the collective level in an energetic process of communication between different levels inside an organization (individual, group, and

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organization). To achieve organizational learning, individuals need to gain new knowledge and effectively integrate it into groups (Simon, 1991). The relevance of individual learning for organizational learning is at first obvious and profound. Obvious because all organizations are conformed by individuals, and profound because organizations can learn independently of any particular individual, but not independently of all of them (Daniel, 1993). “Individual learning is the ability to generate knowledge through individual reflection about external stimuli and sources, and through the personal re-elaboration of individual knowledge and experience in light of interaction with others and the environment” (Sinita, 2000, p. 19). Specially, organizational learning is a process based on individual learning through organizations committed in creating knowledge for the determination to institutionalizing it, in order to adapt as an organization to the changing situations of the environment (Castaneda and Fernandez, 2007). Individual learning itself does not ensure organizational learning to occur; it is then necessary a process of transferring knowledge between individuals, with the main goal of institutionalization (Senge, 1990, Wand and Ahmed, 2003; Easterby and Araujo, 1999).

Organizations establish and gain knowledge in files, rules, roles, routines and procedures and through their culture and structure they develop common mental models, values and behaviours, which compose a portion of the organizational memory (Cohen and Bacdayan, 1994; Schulz, 2001; Walsh and Ungson, 1991; Weick and Roberts, 1993). Consequently, organizational learning from this point of view exist as considering that organizations do not have intellect, but have cognitive systems and memories, allowing them to make sense of the changes within their environment.

### 2.3.4 The 4I framework of organizational learning

The 4I framework proposed by Crossan, Lane & White (1999) is conformed by four linked sub-processes namely: intuiting, interpreting, integrating, and institutionalizing. The mentioned processes take place along three levels: individual, group and organizational, determining the structure through which organizational learning takes place (Crossan et al., 1999).

Table 1 *Organizational Learning through 4 Processes within 3 Levels*

Level	Process	Inputs & Outcomes
Individual Level	Intuiting Interpreting	Experiences, Images & Metaphors
Group Level	Integrating	Shared Understandings Interactive Systems
Organizational Level	Institutionalizing	Routines, Rules & Procedures

*Note.* Adapted from Crossan et al., 1999, p. 525

As shown in Table 1, intuiting and interpreting processes take place at the individual level, interpreting and integrating at the group level, and finally integrating and institutionalizing occur at the organizational level respectively. For example the process of intuition is exclusively individual. Perhaps it may also occur during the group and organizational levels, but according to Crossan et al., (1999), this process is recognizable as coming from an individual. A practical example from the interpretation process is the typical individual placed on a lonely island that may have an insight and start talking to him/her-self. Although this mentioned process is way more effective if dialogues and conversations happen with other individuals. The interpretation process as seen in Figure 1, widens up to the individual and group levels, but does not reach the organizational level (Crossan et al., 1999).

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### **Intuition**

According to the Oxford dictionary (2016), intuition is the ability to understand something instinctively, without the need for conscious reasoning. Intuition is a subconscious process, where the subconscious of an individual is a vital phase on how people understand and assimilate new things and are capable to learn something from them. According to Crossan et al., (1999), intuition is the starting point of new learning, and learning itself is a conscious process whether if it happens at any of the three levels: individual, group and/or organizational.

Most of the scholarly definitions about intuition involve a set of patterns and possibilities (Behling & Eckel, 1991). Neisser (1976) combines intuiting with expertise, suggesting that intuiting is a process of past pattern recognitions. To understand this, the author comes up with a practical chess example, where one must play many games, reflect on past experiences, and learn about great plays to become a great master. In other words, new information turns into tacit knowledge over time and training (Polanyi, 1967). This means that when individuals experience related situations, they already know how to act, since they are able to recognize the pattern.

To connect Figure 1 with intuition theory, individuals can use metaphors or pictures to interiorize these concepts and then share them with others. Metaphors serve in transferring information from a comparatively known territory to a new domain (Crossan et al., 1999). Individuals think about their intuitions and share them with others, thus transferring them to individual and collective interpretation (Weick, 1995; Zietsma, et al, 2002). This marks the starting point of the interpreting process.

### **Interpreting**

Unlike intuiting is a subconscious process, interpreting instead is more conscious (Huff, 1990). During the interpreting phase, individuals have the chance to establish cognitive maps

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regarding the multiple domains in which they operate. In order to develop such maps, language is a critical element, as it empowers individuals to name and start explaining feelings or sensations. The cognitive maps are influenced in certain part by the environment, as it guides what it is interpreted from the mentioned environment.

Every person is unique and that's why everyone act and think differently. How people act is highly connected to everyone's cognitive map. In consequence individuals interpret the information in different ways and perspectives. In the process of interpreting individuals discuss their interpretations of a certain environment with each other. This initiates and reinforces a common language, making possible a better understanding, highly recognizable during the interpreting process.

As an example, when individuals face situations alone, they tend to wrongly interpret the situation, as if they were part of a team. Collectively the situation can be discussed, and thus a more robust decision can be taken based on the opinions, arguments and experiences from all the team members. Daft & Huber (1987) argue that this lowers ambiguity. Eventually, when interpretation passes from individual to group levels, it turns into a more integrated process. Furthermore, when the group has already accomplished a common ground level of understanding of the information, the integrating phase may commence.

### **Integrating**

While the target of interpreting happens to be a change in the individual's understanding and actions, the main focus of integrating instead is coherent, collective action (Crossan et al., 1999). In order for coherence to emerge, common understanding by group members is needed. It is through constant conversations and shared practice between members that collective

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understanding develops (Seely-Brown & Duguid, 1991). According to Daft and Weick (1984), language refined over conversations permits the development of a shared meaning for the group.

Within this phase language is also essential. Language does not only help us learn, but it conserves for better and worse what has been learned. In order for an organization to learn and renew, its language therefore must evolve (Crossan et al., 1999). Conversations or dialogues can be used either to bring established meaning, or to evolve new meaning respectively. A dialogue is a collective thinking exercise, and a process to transform the quality of a conversation, specifically the thinking behind it (Isaacs, 1993).

Storytelling is a major part of the learning process. Stories in fact mirror the complexity of actual practice. As stories emerge, more understanding is developed and new paths to problem solving are generated. Stories then become the archive of wisdom as part of the collective mind memory (Weick & Roberts, 1993).

### **Institutionalizing**

Institutionalizing processes sets apart the organizational learning from the individual learning. Learning obtained by individuals should be combined and institutionalized within the entire organization. To make things clearer the following practical example explains the theory in a better way: One individual working in a company can leave his/her job at any time. If this occurs and the namely individual never shared his/her learning with the organization, then this "learning" will partly disappear. The contrary situation will happen if the knowledge becomes institutionalized within the organization. If so, it will remain inside the company, disregarding if individuals leave their jobs or not (Crossan et al., 1999). It is also important to recall that although individuals come and go, what they have learned as individuals or in groups, not

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necessarily goes with them. Some of that learning may be embedded in the systems, structures, strategy, routines, and practices of the organization (Crossan et al., 1999).

Institutionalization shall affect the learning of all the individuals within an organization. The transfer of learning from the individual level to the group level, and consequently to the organizational level is very demanding and takes time. Given that the environment is continually changing, the challenge for organizations is to manage the tension in between the fixed previous institutionalized learning, and the new learning, which widens the development of intuiting, interpreting and integrating processes (Crossan et al., 1999).

### **2.4 How organizational culture influences organizational learning**

The main concept of research into organizational learning is the concept of organizational culture, since it focuses on the context within which learning happens, and also contributes to the framework for comprehending how the outcomes of previous learning become embedded in organizational norms and routines. Therefore it has been stated that establishing long-term organizational change is inevitably connected with cultural change (Manring, 2003). In connection with learning, organizational culture is seen as an adaptation instrument, which assist organizations to survive in a changing environment. Schein (1985), conceives organizational culture as a deep institutionalized phenomenon, which can not be easily altered - an arrangement of assumptions that a group has invented, discovered, or developed in learning to handle with its problems.

Today's organizations often recognize human capital as their most important resource. This is why organizations build up a broad range of opportunities in order to assist individuals in their development process. Such approach is designed to increase involvement, innovativeness and thus constant improvement and competitiveness, not possible without constant learning and self-



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actualization by employees. In this sense, the learning process is accentuated as a key element of every contemporary company. As a result of this thinking, one of the main functions for a company is to create a proper environment, which achieves and disseminates learning. This is where organizational culture demonstrates to be very convenient (Pilat, 2016). As Wiewiora (et al. 2013) states: The operation of organizational learning needs a supportive culture to facilitate its practice. Organizational culture has a variety of consequences for both the employees and the organizations. For instance, it has a strong impact on employee's behaviour, learning and development (Shu, 2014; Saeed and Hassan, 2000). The organizational learning culture is a type of organizational culture that cultivates organizational learning. It "supports the acquisition of information, the distribution and sharing of learning", and it "reinforces and supports continuous learning and its application to organizational improvement" (Bates and Khasawneh, 2005, p. 99).

An organizational culture that cultivates the development of organizational learning is characterized by effective systems of communication within the organization, and the atmosphere of competition, free exchange of innovative idea proposals, lack of arrogance and egoistic attitudes (Sanz-Valle et al. 2011). Many organizations that build up their competitive advantage on organizational culture are learning organizations, meaning that their mode of operation is beneficial to the exchange and creation of new learning, key for the interest of the whole organization (Bendyk, 2004). This process is intensified by cultural components such as socialization, values, management systems, everyday tasks, etc., as shown in Figure 1.

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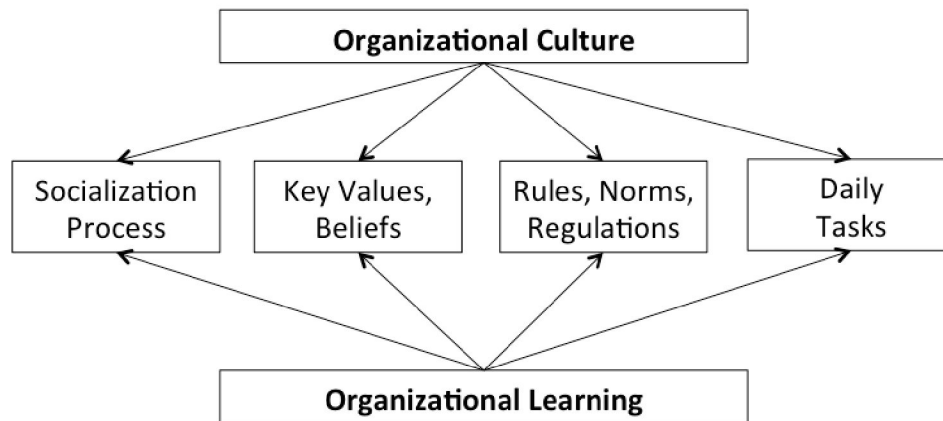


Figure 1. *How organizational culture influences organizational learning* Note. Own elaboration on the basis of: Dobni 2008: 544.

Learning organizations may draw learning from different sources and in different manners. Nonetheless, as the executive of the XX century - Jack Welch states: "no employee will be innovative and will not generate added value for the company unless he/she identifies with it" (Hoffmann and Piłat 2010: 212). Visual elements of culture such as rituals and stories create camaraderie and a sense of belonging among employees serving to explain them organizational values creating identification within the organization. That is why the main goal of organizational culture is to establish a climate, which would spark the learning process.

Promoting a work culture that recognizes creativity and strengthen innovation is vital to an organization that wishes to learn and produce new ideas or products (Kiely, 1993; Prather, 2000; Sternberg, 2003; Thompson, 2003). Lane (2001, p. 704) argues this aspect by saying, "assumption of most organizational learning theory is that learning is socially constructed, that is, what is learned and how learning occurs are fundamentally connected to the context in which that learning occurs". How the culture of an organization works, makes part of an influencing factor on to which degree it will be a learning organization. On the contrary, an unhelpful organizational culture, where people are not willing to participate, and with lack of closeness among colleagues,

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impacts negatively on organizational learning. Therefore, developing an organizational culture that prizes learning, growth and sharing must be conducted in order to stimulate organizational learning.

### **Chapter 3. Methodology**

This chapter refers to the research methodology. It argues the method consideration, data collection, type of questions, unit of analysis and ethical considerations. Firstly, methodology underlies a philosophical viewpoint that appraises a form of research (Jupp, 2006). Secondly, research methodology, which by the way implies a separate concept, is the process and capacity to collect, analyze and interpret data in order to achieve the goals of a determined study (Bryman and Bell, 2011). Research methodology also explains how to be critical while researching and make us acknowledge the rationale hidden behind the method used in the context of research, thus explaining why we use a specific method instead of using others, so that the study results are able to be evaluated by both the author and others (Kothari, 2004).

In this study, the research questions are presented at the organizational level. According to March and Simon (1993, p. 94), "an organization is a system of interrelated social behaviors of a number of participants". Therefore, to research the phenomena at an organizational level, the chosen key informants are all mid-level experienced executives within the organizational group. Finally, the findings will pinpoint the outcome to be at an organizational level.

#### **3.1 Research design**

"A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure" (Selltiz, et.al, 1962, p. 50). Indeed, the research design is the theoretical framework within which research is managed; it creates the scheme for the collection, measurement and data analysis. In essence the design comprises a blueprint of what the researcher will do from defining the hypothesis and its implications to the final data analysis (Kothari, 2004). Validity, reliability, and

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generalizability of the study are also influenced by the research design and its quality (Adams et al., 2007).

According to Bryman & Bell (2011), research design consist of five different types such as experimental, cross sectional, longitudinal, comparative and case study. The experimental research design is more laboratory-based research and encompasses experimental groups, which are conducted through control groups. (Bryman & Bell 2011). This type of design differs from business management research, as it is quite difficult to attain control over organizational behavior for example. The cross-sectional or transversal study, involving the analysis of data from a defined population or a representative subgroup, at a specific point in time. They are characterized to be descriptive studies that may be utilized to describe some features of a population or back assumptions of cause and effect. The longitudinal and differs from the cross-sectional design in terms of performing more than one observation to the population subject of study. Pettigrew (1990) explains it as collecting data from the organization based on the methods and processes generated over change. The case study design is as a profound interpretation of a singular perspective. According to Robson (2002), a case study is a strategy for performing research involving empirical investigation of a phenomenon in real context utilizing various sources of information. Eisenhardt & Graebner (2007), argue that the case study is “the most suitable and widely used design in management field” (p.22).

The case study deals with precise and in-depth analysis of a single case, which is the purpose of this research. The geographical area is one of the most common terms relating case studies, such as workplaces and/or organizations (Bryman & Bell, 2011). Since this study focuses on the analysis of a defined organization in the shipping field, is widely appropriate to perform such a research design. Also since this study is entirely of qualitative domain, Byrman & Bell, (2011) state that there is a trend to relate case studies with qualitative research, as they provide detailed

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information about the case by performing observations or interviews, highly favorable for qualitative methods.

The case study focuses on understanding the dynamics, present within single settings. (Eisenhardt, 1989). Case studies can involve either single or multiple cases, and numerous levels of analysis (Yin, 1984). Case studies commonly associate data collection methods like archives, interviews, and observations, among others. Combining both observations and semi-structured interviews for example, increment the quality and reliability during the process of collecting data (Jick, 1979). Furthermore, case studies can be used to accomplish various aims: provide description (Kidder, 1982), test theory (Pinfield, 1986; Anderson, 1983), or generate theory (e.g., Gersick, 1988; Harris & Sutton, 1986).

### **3.2 Data collection method**

The evidence for the purpose of this particular research will be of qualitative domain (e.g. words). The methods used for data collection are qualitative interviews, observation and collecting secondary data. The interviews are semi-structured and conducted face-to-face. The interviewer establishes the use of an “interview guide” with questions and topics needed to be covered during the discussion. This indicates topics associated to the research questions. The interviewer follows the guide, but is also able to pursue different paths during the conversation that may connect the intended topics with richer and relevant information provided by the interviewee. Semi-structured interviewing is found most appropriate because it has much of the freewheeling quality of unstructured interviewing, and requires all the same skills, but is more structures because of the interview guide. This is a written list of questions and topics that need to be covered in a particular order (Bernard, 2006, p 212).

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Open-ended questions are classified as unstructured inquiries that contrary to multiple-choice questions, none of its possible answers are suggested or influenced by the interviewer. Instead, the respondent answers a given question in his/her own words without following a particular protocol or under the effect of given choices or tacit answers. Mostly, these questions begins with adverbs and pronouns such as how, what, when, where, why, and provide necessarily qualitative information. The wording and questioning order may vary in some of the interviews. This is possible with the use of a semi-structured interview method. The interview guide for this study consists of categorized and open-ended questions.

Observation is the most commonly used method especially in studies that are associated to behavioral disciplines. In one-way or another, we observe thousands of things around us, but this type of observation is not classified as scientific. Observation becomes a scientific mechanism when its approach is investigative, consistently planned, and subject to periodic revisions to demonstrate its validity and reliability (Kothari, 2004). Through this method, information is collected on behalf of the researcher's own observations without asking questions to respondents. The main advantage of own observing without asking others is that the subjective bias is mostly discarded. In addition to the above, this method is independent from respondents, and therefore does not require their assistance as it occurs when performing interviews (Kothari, 2004). Within the social sciences we particularly talk about different types of observations including participant and non-participant observations. This characterization depends on whether the observer becomes part of the group he/she is observing to experience closely what they feel and is known as participant observation. On the other hand, if the observer is simply seen as an isolated messenger that does not experience other's feelings, is called a non-participant observation (Kothari, 2004). For this research purpose, the researcher takes the role of a non-participant observer within the company. The observation was performed with the use of an observation

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guide.

Secondary data such as company's reports and relevant information for the research is also collected. General public information is compiled from the company's website.

### **3.3 Level of analysis and population**

In this study, the research questions are presented at the organizational level. According to March and Simon (1993, p. 94), "an organization is a system of interrelated social behaviors of a number of participants". Therefore, to research the phenomena at an organizational level, the chosen key informants are all mid-level experienced executives within the organizational group. Finally, the findings will pinpoint the outcome to be at an organizational level.

During the research design phase of a project, the researcher needs to consider a motivation for identifying and using a particular setting as a data collection site (Marshall & Rossman, 1999). Also, a decision must be taken regarding who will be the chosen population to develop the project. According to Creswell (1997), a qualitative research strategy is highly adequate in collecting knowledge regarding behaviors, values, and social backgrounds of determined populations. Understanding that a population is conformed by all the subjects you wish to analyze, in this study, the population consists of mid-level executives in shipping companies. Furthermore, the target population is identified as all mid-level executives in all shipping companies. Since it is impossible to reach all the individuals of a targeted population, it must be determined the fraction of that population which is reachable. By defining the accessible population, the scope reduces, allowing the study be more focused and detailed.

### **3.4 Sampling**

The main sample for this study is the case company. The selected case is a container transport shipping and logistics multinational company with offices in Colombia. Based on the essence of



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shipping companies, risk is associated to worker's engagement as an input to group and organizational learning. In fact, there is plenty space to build up organizational learning within the shipping industry.

Semi-structured or even unstructured interview methods are selected as a means to gather data, choosing the informants within the case company. This mentioned process is best known as sampling or quoting. Kothari describe it as “*the process of obtaining information about an entire population by examining only a part of it*” (Kothari, 2004, p. 152). One of the core benefits in qualitative research is that the sample may be carefully selected with respect to the subject of study (Miles, Huberman & Saldaña, 2014). Selective or judgmental sampling embodies a group of distinctive non-probability sampling approaches. As its name implies this type of sampling depends on the judgment of the researcher when selecting the units of study (e.g. people, organizations). The central goal of selective sampling is to concentrate on particular characteristics of the population of interest, which will allow answering the research questions in the best way possible.

For this particular study nine individuals from three different departments of the same company were selected. According to this, three individuals from each department were chosen. 77,78% of the people were men and the remaining 22,22% women. This means that seven out of nine respondents were male and two out of nine were female respectively. It is worth noting that this study does not pretend to discriminate women, as having only two female respondents; instead the shipping industry has been traditionally a male-controlled environment, not meaning that the women's integration within the shipping industry has not been of major concern by the International Maritime Organization.

Key informant interviews are described as in-depth qualitative interviews of knowledgeable participants as a relevant part of the investigation method. Key informants can become a highly

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useful source of information, and this is one of the main reasons they are best known as key informants. Moreover, they are also useful when there is a need to understand the behavior and points of view from a targeted population, which consistently is one of the aims of this research study and interviews. The nine selected key informants come from a varied range of disciplines and backgrounds including business administration, international trade, logistics, supply chain management, and maritime education. This in order to maintain the diversity among them, which at the end does not allow biased results, and thus generates a wider and richer perspective to the study. All of them are positioned within the company as mid-level experienced executives with a range of ages from 35 to 50 years old and at least five years working experience for the company. This provides a certain degree of expertise in their daily tasks, which is reflected on their managerial positions, leadership and recognition. Table 2 shows the informants characteristics.

Table 2 *Informants Characteristics*

<b>Factors</b>	<b>Description</b>
Executive Position	9 mid-level executives
Education	2 executives with education in maritime sciences (port administration and logistics, nautical studies and operations) 3 business administrators, two of whom have post-graduate studies in management
Gender	7 males and 2 females
Departments	Logistics, Operations & Sales
Ages	35-50 years old

### 3.5 Interview guide

The interview is the most extensively used method in qualitative studies because of its affability and level of communication with the participants (Bryman & Bell, 2011). The interview guide has been developed based on the research question, sub-question and literature review respectively. The interview guide initiated with general questions in order to break the ice and create a comfortable environment for the interviewees, before questions were narrowed down with more specific and practical questions. The interviewees also had the chance to introduce themselves as part of the protocol of the interview guide. Finally in order to increase the value of time spent within the process of interviewing, there was a need to be highly well prepared (McCracken, 1988).

A very important aspect of the interview process is the application of a pilot test. The pilot test is a mechanism that helps the researcher encounter if there are weaknesses, possible limitations, or other flaws in the interview design. Undoubtedly this is a preventive measurement before any real interviews take place, which allow the researcher to perform the necessary corrections and improve his/her research questions (Kvale, 1996). It is also of relevance to conduct the pilot test with participants that have related interests as those that will participate during the research study.

According to the above, the interview guide was tested with two colleagues, which share commonalities with the respondents in terms of job level, working experience and academic background. Important insights and several recommendations were suggested in order to create effective research questions for the interviews. Among the elements that were discussed are the following: questions should be neutral to avoid subjectivity in the answers (McNamara, 2009). Questions must be elaborated in a way that they keep the attention of the interviewees. Also the interviewer should be prepared with follow-up questions to guarantee the achievement of solid

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responses from the participants (Creswell, 2007). The final interview guide is included as Appendix D.

The nine in depth interviews were performed in 2016 during the weeks twelve to fourteen, lasting from forty to sixty minutes approximately. The language used was Spanish, and all nine interviews were recorded. The interview plan schedule can be found under the Appendix C.

### **3.6 Observation guide**

The observation arrangement was pre-settled before arriving the company. All this possible with an observation guide presented in Table 3. The researcher was not involved whatsoever in any of the activities and/or tasks performed inside the organization. All the observations were done taking advantage of the free spaces in between some of the interviews where permission was allowed. Around 10 hours in total divided in to four days were employed for this method, during week 12-13 of March 2016. The observation guide was aligned from previous research on organizational culture and its influence on organizational learning. As an example, organizational culture is believed to be the most significant input to effective organizational learning because corporate culture determines values, beliefs, and work systems that could encourage or impede both learning and knowledge sharing (Gold et. al., 2001). Hence, the organizational culture of the company can be assessed by observing the symbols, office architecture, design and decoration, wall posters, employees use of the language (formal or informal), meeting rooms arrangements, etc. This reveals that the culture and environment of an organization has a substantial impact on the performance of an employee, their motivation to learn and refresh their original knowledge.

Table 3 *Observation Guide*

Questions
Company's general environment.
How employees within the company interact to each other? Do they use informal use of language?
How many informal chats do I observe?
Is there a collaborative environment where employees help each other?
How the environment feels like from an outsider perspective? Does it looks like a climate creator environment where individuals can freely socialize between each other?
Is furniture and architecture inviting to informal chats?

### 3.7 Data analysis

The gathered empirical data was prepared before it was ready for the analysis. Observation notes were typed into a file, and the interviews were translated from Spanish to English language, and then transcribed into texts with the help of a professional translator. The total number of nine interviews made possible to analyze the transcriptions manually rather than using data analysis software.

First, all the interviews were deeply analyzed deductively in conformity with the interview guide and consequently revised according to the research question and sub-question. Besides, few inductive codes appeared gradually during the data analysis, which at first were not included. As an example, patterns such as demographic characteristics of informants, organizational hierarchy structure, and sub-cultures were not visibly anticipated in the beginning, and therefore coded after the data collection. Once the data analysis was completed, a table was created in order to classify all the given answers provided by the interviewed informants.

Citing Miles et al. (2014), the research question is the perfect data limiter within the data selection process. The scheme consisting of a research sub-question helped in developing and

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grouping categories based on common topics for the interview questions. As an example, the question "to what degree is changing routines, rules, procedures or diagnostic systems part of your daily job?" it may represent that the category "organizational culture" implicitly may be found, nevertheless, not limited only to the mentioned category, since the interviewees were asked to provide concrete examples as part of a narrative real life case description. Three categories were developed such as cultural change, organizational learning, and organizational structure. During the coding, the data was organized into three main headlines: logistics, sales and operations departments.

As for the observation guide, this was analyzed the same way as with the interviews. Deductively by fitting the observational aims to the research question and sub-question. According to Bryman (2012), the analysis of multiple data sources convey in triangulation, which ends in a better assurance of results. Therefore, in this study, the utilization of various sources, made possible the comparison of the gathered data from the interviews with secondary data to check if the different sources were actually directing to the same point or not. The following figure is an adaptation from a research study model involving all the stages to conduct a quality research design. This model was followed along the development of this study.

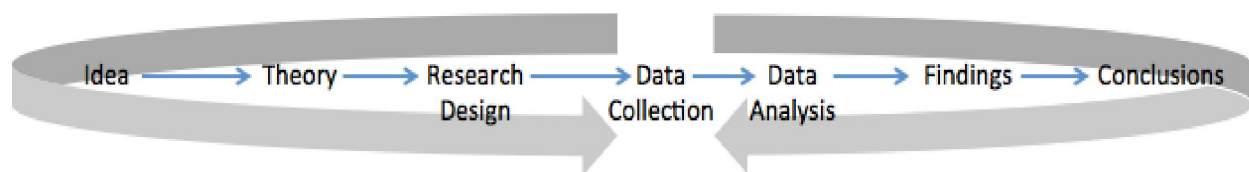


Figure 2. *Research study model* Note. Adapted on the basis of: Berg, 2001, p. 19

### 3.8 Reliability and validity

Patton (2002) states that also qualitative researchers should pay attention to validity and reliability during the design, analysis of results, and evaluation of the study's quality. In order to

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provide reliability in qualitative research, an audit of trustworthiness is vital. Despite the concept of 'reliability' is used to evaluate quantitative research; the term is generally used in all types of research studies. A satisfactory qualitative study serves as understanding a situation that otherwise would be confusing (Eisner, 1991). This is related to the concept of good quality in research when reliability aims to evaluate quality in quantitative studies with the premise of 'explaining'. Adversely, quality in qualitative studies has the purpose of 'achieving understanding' (Stenbacka, 2001). In order to evaluate this study's reliability, the interview questions were carefully designed and constructed to assure a wide data collection. To increase the reliability, the interview guide is also presented in the study (appendix D table). Furthermore, the chosen case and the key informants selection criteria, along with both observation and interview guides are presented. According to Flick (2006), interview training can contribute to increase the reliability of interview data.

On the other hand the concept of validity is defined by several terms referring to qualitative research. Although this concept is not universal, but founded in the developments and purposes of determined research methodologies (Winter, 2000). That is why researchers have recognized the importance of some type of qualifying measurements for their studies. Also they have adopted terms such as quality, rigor and trustworthiness as their own definitions of validity (Davies & Dodd, 2002; Lincoln & Guba, 1985; Mishler, 2000; Seale, 1999; Stenbacka, 2001). To assure the validity of the conducted interviews, the questions provided in the interview guide, were asked in different forms in order to reduce the data bias. Finally, just before each interview started, every participant committed to give sincere and accurate information to every inquiry.

### 3.9 Ethical considerations

According to the Oxford dictionary (2016) definition, ethics is "a set of moral principles, especially ones relating to or affirming a specified group, field, or form of conduct". Ethical aspects have to be taken on account during all phases of a research study in order to protect the integrity of the participants involved during the process. Likewise, more ethical and legal principles such as honesty, objectivity, integrity, openness, respect for intellectual property and confidentiality have to be an essential part of the research activity. Therefore the researcher must coordinate all his/her energy and efforts towards the conformity of the mentioned ethical issues.

Resnik (2015) describe some of the ethical and legal principles that most codes address. Honesty involves avoiding falsification or misrepresentation of data. Instead endeavor honest data reporting, results and method consideration. Objectivity aims to evade bias in data analysis, data interpretation, research design, and peer review. Openness as its name recalls, includes sharing data, ideas, tools and resources with the individuals and/or society directly or indirectly involved in the research study. Also involves being open to accept criticism, opinions and suggestions from the scientific community.

Informed consent gives the participants of a research study enough detailed information, in order for them to voluntarily take the decision to participate or not in it. As Bryman and Bell (2011) state, informed consent entails that eventual research participants should be given as much information as they need to make an informed decision about whether or not they want to participate in a determined study. To ensure that the participants were properly informed, they received the interview questions before scheduling the interview dates, and were also given a confidentiality and consent form (Appendix B) specifying all the necessary information regarding the object of study and purpose. Additionally all the recorded and transcribed data was shown to them afterwards, in order to verify the consistency of the provided information.



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Furthermore, the name of the interviewees and the company object of study was kept anonymous as part of a confidential agreement between both parties, and the nature of the research study.

On the other hand there are also some other ethical codes to review specific to Norway, which at the end is the recipient of the research study. The National Committee for Research Ethics in the Social Sciences and the Humanities (NESH) has been working in the ethical ground rules for research since the decade of the 1990's. This includes thesis projects at both master and doctoral level, implying informing to the public obtained results.

At some point ethical norms and legislation referred to research ethics meet, meaning that some ethical guides are included in law. As an example, if a research is conducted and supported by any institution – as in my particular case, whereas that institution gives confidential information to the researcher, the Norwegian law clearly states in Section 14, that this information must be treated as purely confidential and is a must requirement to be compliant with. According to Norwegian rules on ethics, there is also a great attention on being impartial when performing research, and that the information can be confirmable.

### **3.10 The case**

The company as for today is the seventh largest container shipping line in the world, headquartered in Singapore, and having 58 local sites around the globe covering Europe, The Americas and Asia. Established in 1849, the company endeavors excellent global connectivity and competitive transit times over more than 25.000 locations spread in more than 100 countries. Even if it is dry or dangerous cargo, delicate or oversized, the expertise, fleet of vessels, equipment and technology fit all customer needs.

During the last years of the 1950's, the company started looking at the possibility of

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containerization. Few years later, they initiated building vessels able to transport containers. Also many ports began adapting their infrastructures to receive the new promising container shipping system. During the next two decades, the use of containers kept on growing tremendously, and increased in 58% the amount of freight transported via this method. Undoubtedly, this was an inflexion point for the company to realize that container transportation services were about to be their core business competitive strategy.

Nowadays, not only the company is one of the industry's leading global brands, but also provides world-class intermodal operations combined with high-tech IT and e-commerce platforms, helping customers expand their businesses. As an example, the company is far of being just an ocean carrier; instead they offer innovative solutions to reduce supply chain costs and inventories, which in definitive adds recognizable value to customers, plus differentiating them from their competitors.

As the container shipping industry is currently experiencing deep changes, represented by low growth rates and fierce competition, the company acknowledges there is a need to respond faster towards the market and customers. *"We are pushing ahead with our strategy to sharpen our competitive edge through cost efficiency and organizational agility while building on our strong reputation for service quality"* (Company's CEO). Currently the company operates with the following types of cargoes: refrigerated cargoes, hazardous cargoes and special projects oversized cargoes. In addition, the company offers U.S. flag services meaning they are trusted partners of the U.S. government for ocean transportation and country logistics. Furthermore, since the company is highly involved in developing state of the art e-tools for the industry, they have come with three platforms that allow their customers to manage and track their shipments in real life with detailed information. Moreover an electronic data exchange program that permits sharing relevant shipping documents such as booking information, invoices and bills of lading

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with several stakeholders.

Regarding the corporate values, which support the vision, shapes an organization's culture and defines its character; vitality, innovation and a leading spirit have been guiding the company for over 165 years. The company has the clear conviction that one of their infallible recipes for success is achieved by combining the transport of containers with a wide and varied technological network, timely operations, and qualified personnel, able to debate in highly complex-ever changing global markets. Its customers immensely recognize these intangible values, along with their reputed quality service and commitment to provide sustainable international trade enabling them to compete with the best, to be the best. Finally, as supporters of international trade, sustainability and policies related to safety, security, environment and the community; the company adopts both ethical and moral standards in all of their operations.

### **Chapter 4. Findings**

In this chapter, the gathered findings will be presented. They are organized in conformity to the literature review chapter, the observation guide, and the interview guide respectively. The analysis showed different points of view regarding the answers provided by the informants, noting that all of them were at the same level position within the organization - mid-level experienced executives.

During the observation process it was quite nice the first impression perceived of employees developing their activities and functions. They were always very friendly, attentive and concerned about the welfare and comfort of outsiders who daily visited their facilities. Nothing special was noted related to negative aspects that could impact the way things were done as well as the behavior of the employees. On the contrary, allowing the entry of an external researcher to their environment, to some extent makes them vulnerable to the sensitive information that in many cases they communicated and delivered.

The questions asked during the interviews were classified into three sub-groups, each of them compiling the questions, which are closely related one to each other, and that treat similar topics. This classification of questions made an easier analysis and allows the study to be more consistent, organized and understandable.

#### **4.1 Cultural change**

The interview initiated with an immersion question on some of the most important factors within the concept of organizational culture. The gathered answers revealed what key informants think according to their roles within the three evaluated departments in the company: logistics department, sales department and operations department respectively. The first question was: "To what degree is changing routines, rules, procedures or diagnostic systems part of your daily job?"

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All the respondents agreed that constant change is part of their daily jobs. They claim that as businesses evolve from one phase to another, one has to move at the same pace or even one step ahead them. It is also important to recall that all interviewees had clear enough that diagnostic systems allow them evaluate and permanently adjust their activities and timely prioritize any eventuality that may occur. Most of the key informants highlighted in their responses the fierce competition exerted by giant players in the shipping market, which directly affects their local operations. Some of the answers of respondents support the above:

*“Transport, logistics and, off course the fierce competition don’t allow routines thus make necessary constant innovation”. “Diagnostic systems measure the business management, facilitate control and reduce risks.” “The values of the organization, the scale of responsibilities and procedures remain stable, likewise the organizational culture.”*

(Logistics department key informants).

As the concept of innovation is mentioned, an immediate connection between culture and learning is revealed since supporting a working culture that innovates is essential for an organization that intends to learn.

*“Every day you come to the office with the purpose to do an specific task but the day reminds you is full of different things”* (Sales department key informants). *“We do not have established routines. Our working philosophy is to focus on the most critical issues in order to take immediate actions”*. (Operations department key informants).

Additionally, during the observations carried out in the company, some posters at the entrance and inside the meeting rooms were found, with the updated rules and procedures for the current fiscal year. Also, posters promoting training programs for all the employees allowing them rotate through all the areas of the company to find their true vocations were seen. This is an indicator showing that the company is highly interested and committed with its employees to know at first

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hand which rules and procedures are governing them; and additionally, gives them the freedom to change routines as they find their desired job functions.

In connection to culture, key informants were asked to describe how they did things around here (meaning inside the company), for instance how they treat new needs from customers, how they handle challenging customers and manage their complaints, and how they manage radical new ideas from employees. From the logistics department, when asked how they treat new needs from customers' one executive mentioned, *"a new need is seen as an excellent opportunity to think in something different and try to develop it."* In addition to that he said:

*"A formal meeting is held under the program Customer Focus Team, which the company established specially to follow-up new customer requirements involving employees from various critical business units that should and may intervene in order to propose solutions that satisfactory fulfill our customers' needs."*

When asked about how they managed radical new ideas from employees, one sales executive claimed:

*"The culture of our company is based on listening and understanding. Is not about trying to impose anyone's criteria. Our philosophy focuses on getting to a common ground that benefits our customers without comprising the company's values and interests."*

According to the company's website values such as vitality, innovation and a pioneering spirit have been the driving principles over the years. It was also found that their expertise help customers to grow their businesses and negotiate in a highly complex ever-changing environment providing them the value they need to compete in today's global economy.

Regarding the management of complaints a sales executive answered:

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*“This is a vital factor in the service we deliver. Our customers always lookup for an effective and prompt solution. A quick response in solving complaints is key to achieve customer loyalty. Within the shipping industry claims and complaints are frequent, but to fight against them we have systems to register, analyze and give solutions. Nevertheless the complicated part of it is to simplify and facilitate the process under the premise of understanding the customer and be always with the best disposition to provide a fair resolution.”*

Constant words used by most of the key informants during the interviews regarding the question about management of new ideas were that the company is widely open to welcome new ideas due to its “culture of open doors”. Also, they claimed that everything aiming to improve how things are done in the company is supported, evaluated and tested. There is a special team in charge of receiving new ideas, projects and proposals from all areas. Consequently, they start a networking process, in which they invite to a series of informal and formal meetings, where one representative of each functional area of the company is present, in order to evaluate what is the impact and scope of the idea and how it can be applied, to cover most of the operations within the company.

*“For example the operations department in many occasions has good operational ideas, but from a commercial point of view they are not good enough; instead they are revised to find a balance for them to become a reality in the near future”* (Sales department key informants).

Nevertheless, when asked to a key informant from the operations department to elaborate on a practical example within the company here is what was said:

*“There is a current situation, with one of our oldest employees, which is reluctant to the change. Nowadays we are implementing a new operative system, which improves the e-mailing activities in the company. It has proven to be more efficient and capable to withstand the level of information contained in it. However, the mentioned person does not consider the*

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*change as a positive sign even though his/her colleagues are using it and already perceive its benefits. In order to overcome this situation, the company implemented a strategy based on a step-by-step implementation of the new system. First, they started changing the system by blocks of people until they reached a major part of the company. When the person in mention saw the change was practically inevitable he/she had to accept the new system as part of his/her daily job and start working on changing his/her mindset. Before doing this, most of the organization working with that system had already mastered it, and this became a powerful shield against all the criticism made by him/her who at first wasn't satisfied at all to change."*

Moreover to the question: what happens when your followers come to you with new ideas?

What do you do with them? Does this happen frequently?

A key informant from the logistics department answered:

*"Firstly, it is important to know which is the proper time to present a new idea. If for example someone comes to me with a great revolutionary idea during a critical period that requires most of my attention, definitively has to be postponed until the sensitive time passes. I consider a new idea has to have its right moment with an adequate environment to be perfectly welcomed, and off course analysed, discussed and evaluated. Nevertheless it is always nice to remember, there are spaces to think other ways to perform things."*

In contrast, a key informant from the operations department claims it is not frequent for new ideas to emerge within the mentioned area as the processes are very mature and suffer just minor changes. However, when a case occurs, it is analysed as a group, and a brainstorming exercise takes place in order to evaluate which is the most feasible idea among all the options.

Furthermore, the selected idea is then communicated to the area manager, which has the responsibility to make the necessary amendments and decide if the idea continues to a second phase or not.



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Regarding the above, the company's CEO for the Americas region says: *"if you create an environment where people don't feel threatened by bring up an idea, you start to tap into a talent 'oil well' of creativity that all companies have"*.

In addition, to the question: how do you think the company is able to react to new regulations in the form of changes in routines, rules and procedures? Is the company a leader or a follower in the adoption of new procedures and external or internal regulations? A key informant from the logistics department answered:

*"Internal and external regulations constantly change. In this precise moment in Colombia we have a new customs statute. The commercial department, customer service department and operations department has to be informed about these changes in order to understand in a better way all the customer needs by assisting and training them."*

*"The company is a leader in adopting new local procedures such as the new customs statute for the Colombian market. But considered a follower in adopting international regulations since we represent one of the biggest container shipping companies in the world, and many of the so called 'decisive orders' come from our main headquarters."*

When asked if the logistics department was informed about upcoming new regulations that may impact their work, the key informant said this was mainly a task concerning the commercial and operations department that sometimes was not even communicated to them.

### 4.2 Organizational learning

For the question: "To what degree do you experience the development of shared understandings as part of your daily job?" the empirical study reflected the depth of the organizational learning concept, and the way how each key informant perceives organizational learning varies. Nevertheless, all informants mentioned vital components of organizational

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learning by implicitly asking them about the concept without directly mentioning it. Aspects such as teamwork, information sharing, the importance of having a good communicational link between all areas and group discussions show they still mean organizational learning. Here the aim is to shed light on the importance of organizational learning as a success factor for building strong learning organizations. Some of the answers given, support theory and made possible the identification of vital elements for organizational learning to appear.

*“The specialization of the work is essential but the shared understandings contributes to continuous improvement.” “Customer service is not unique to the customer service department, operations department or commercial department; instead it is responsibility of the entire organization focused on providing an excellent customer experience”. (Logistics department key informants).*

*“The commercial or sales person closes a deal with a final customer based on the principle of satisfying all his/her needs. Afterwards all the deal information is transferred to the operations department in charge of uploading all the relevant information to the system. Hence the vital importance of having a good communication and developing teamwork on both ends” (Logistics department key informants concrete example).*

*“At all occasions in the sales department unit, we try to work as a team whenever some issues need to be solved promptly. As a group, we discuss the topic, and if at the end we still don’t have any convincing answer to solve the problem, we go to the industry and rely on it looking to similar past situations and the actions taken to solve them.” (Sales department key informants).* *“Within the operations department, we share best practices among the team that enable the optimization of tasks. That is a way how I understand collective learning”.* (Operations department key informants).

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Business Week Online 2002 outlined the value of communications for the company saying that nowadays the key is ensuring the continuous flow of information. For this matter, they have built a communicational system able to handle day-to-day communications and transactions, synchronized and shared through all areas supporting the necessary planning of operations for distributing resources effectively. However, when having the interviews with the sales department key informants, two out of three pointed out that shared understandings were not often visible among the operations department with the rest of the functional areas of the company. They even said that people working in the operations department are quite reserved with the information they share with the sales department, which at the end have to work jointly in the accomplishment of common goals. It may suggest that some functional areas of the company are not highly committed and involved in making part of sharing and transferring information to others.

### 4.3 Organizational structure

Key informants have been asked the question of: “Do you think the organizational structure of the company has an impact on the organization’s behavior?” All the informants consider there’s a direct link between organizational structure and organization’s behavior. All agreed that the structure does impact the organization’s behavior, even though as expected; every key informant has a different point of view depending on their roles and departments within the company. From the logistics point of view one of the key informants said:

*“The organizational structure of the company is mostly vertical, where critical decisions are taken by the top senior managers – being this the highest hierarchical level at the organization. This is a truly complex company where delegation and establishment of individual and group responsibilities are necessary for things to work. Obviously every course*

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*of action must be perfectly delimited to determine which level of the organization is responsible to make decisions and take actions. Sometimes there is a need for approval on certain documentation that requires the signature of the CEO; the problem comes when he is unavailable as well as his substitute. In this case the requirement is postponed, unless it is authenticated by another branch manager from another nearby city. At this point our department starts questioning the effectiveness of the process in order to complete some requirements. It definitively changes the way we behave since there are no further solutions we can provide, feeling ourselves practically tied, reflected in some cases on the way we approach to customers and peers.”*

From this point of view, the organizational structure is rigid and slightly flexible. Many operations are centralized discouraging employees to act proactively in learning. Since learning processes within organizations does not take place easily, the conditions and environment are not contributing to make this happen.

Another perspective is seen from the sales department team. Even though they recognize the company is quite vertical in its structure, due to the amount of people working in it and the multiple services they provide to a large number of customers; some procedures are flexible. Having the chance to ask for permissions if well argued, and the possibility to work as a team in every project to avoid blaming someone for mistakes and responsibilities, instead sharing best practices, affects in a positive way; how the organization behave towards a healthy environment. It's seen as a pull and push process, where there is no way to get something without giving something back.

Moreover another sales key informant said: *“I perceive the accounting department as highly inflexible and very chaotic”*. Even though the accounting department was not evaluated, it is

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noticeable the different working methods applied from one area to another, even in one same company.

Finally, some questions were asked to investigate how the company was related to continuous improvement and leadership management. In other words, if the company was facilitating arenas for the development of its employees and promoting leadership initiatives. The entire key informants recognize there is in fact continuous improvement programs where anyone is welcome to participate. They claim the company is committed with continuous improvement and as examples they point out the followings: permanent trainings on how to improve processes, communicational systems, team working and integration. To support this, the company is certified with ISO international standards and Business Alliance for Secure Commerce (BASC). Furthermore a revision of procedures and their implementation programs is constantly taking place. As for the leadership, key informants said it is not only an issue reserved to the management team, but to every single individual. This is demonstrated by leadership courses paid by the company to sensitize on how to manage groups by promoting a collaborative culture rather than a culture based on delegating functions.

Finally, to the question: can you please provide me with practical examples of places where interactions; new experiences and interpretations take place within your company? How they work? And are they accessible for all employees? These questions were made in order to evaluate if the company was actually promoting learning arenas to renew, share, transfer and communicate vital information for the success of the whole organization. All the key informants claimed these arenas were accessible for all employees. However, after asking them with concrete examples of places where interactions took place, they started mentioning some of them, which clearly not all employees have access to. The management board, the directive committee conformed only by managers and financial planning and budgetary revisions. Instead, the established 'Customer

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Focus Team' which follows-up new customer requirements providing real-time access to every employee and local mandatory meetings to treat common aspects concerning the entire organization were the only spaces provided by the company in which literally every single employee participate. Other informal interaction environments such as field trips, sport competitions, volunteerism and social events were mentioned by compiling the answers of all the key informants from the three evaluated departments where also all the employees may be part of. Furthermore other examples of places where interactions take place are the weekly meetings held by each business unit, and also informal and formal meetings where new ideas may be discussed, and project meetings involving the directly responsible headcounts of each project under development.

### **4.4 Encountered patterns**

According to the Merriam Webster Dictionary (2016), a pattern is defined as observable characteristics of a person, group, or institution. In this study the theory was used as the foundation for finding patterns, which include the analysis of the organization's structure (hierarchical levels), information exchange (socializing processes), demographic characteristics of the informants and the existence of sub-cultures within the organization.

### **Hierarchy**

Despite the different points of view given by the informants regarding what they perceive in each of their departments, is clearly visible a common ground of generalizable thoughts regarding how hierarchy levels are present within the organization. Every department or entity in the organization is subordinated to a major entity; in this case the main headquarters of the company based in Singapore. The hierarchy consists of a group of power at the top of the pyramid with

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following levels of functions below them, which constitute the prevailing mode of organization among large organizations such as the analyzed one.

In relation to new ideas generation, they are channeled via area managers, which have the authority to decide if they are feasible to be implemented or not. Moreover, critical decisions are taken by top senior managers in a higher scale of responsibility along the complex organizational structure of the company. Since the organization is hierarchized, its members communicate with their immediate superiors and subordinates, lowering the communication overhead restricting the flow of information, resulting in a major limitation in the organization's learning purposes. Finally, the question regarding if the company is a leader or a follower adopting new procedures and regulations, demonstrate how theory turns into practice. Once more, every business unit is ruled by the main headquarters deciding how and when to proceed with critical rules, norms and regulations affecting every branch of the organization.

### **Sub-cultures**

The main culture of the organization discloses the core values shared by most of its employees. As mentioned before, vitality, innovation and a pioneering spirit have been the driving values of the company for years. Nevertheless sub-cultures tend to flourish in large organizations as a view of common problems, situations or experiences happening inside a working group. This is not the exception of the company analyzed in the study in which the findings recognizes the logistics department as being quite different from the operations and sales departments respectively, and thus having a strong sub-culture itself. First of all, the overall answers given by the informants from the logistics department tend to be more descriptive, in-depth and thorough. This is an indicator of how structured, clear and understandable they are when sharing and communicating their ideas, perceptions and opinions to every asked question.

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Furthermore, they created the feeling of knowing every detail on how the organization functions and which are the exact procedures, rules and norms to follow for every case, as they mentioned some of them with crystal clarity, plus giving concrete examples on each one. It is assumable that as a working group, the logistics department shares information constantly and communicate it very well, enriching their learning process, creating a strong sub-culture of own values and beliefs. They are also the most experienced informants interviewed within the company, which explains how well they know every aspect of the organization. Different situation is seen in the operations department where two out of the three informants from the sales department claimed the operations team is somehow reserved with the information they share out of their group, knowing they might affect the achievement of common organizational goals.

### **Socializing processes**

The learning arenas within the organization are directly connected with socialization processes as individuals learn organizational values, norms and behaviors embedded in the culture. Figure 3 shows in a condensed form all the socialization processes mentioned by the informants and their outcomes as part of their organizational culture.



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Table 4 *Organizational Socialization Process Summary*

<b>Socialization Processes</b>	<b>Learning Outcomes</b>
Customer Focus Team (New customer requirements follow-up).	Best practices sharing: Ensures collective learning and optimization of tasks. ( <i>Group level</i> ).
Team specially created to receive new ideas, projects and proposals from all areas. Networking process to evaluate the applicability of the idea.	Projects team work: Avoids blaming a solely individual for own possible mistakes and individual responsibilities. ( <i>Group level</i> ).
Brainstorming exercises among the operations department to assess new ideas generation to be further communicated.	Leadership courses: Promote a collaborative culture. ( <i>Organizational level</i> ).
Best practices sharing.	Internalization of organizational norms and values. ( <i>Individual, group and organizational level</i> ).
Projects team work.	Mastery of critical tasks. ( <i>Individual, group and organizational level</i> ).
Continuous improvement programs for everyone. Permanent trainings on how to improve processes, communicational systems, team working and integration.	Feedbacks regarding new ideas generations. ( <i>Individual, group and organizational level</i> ).
Leadership courses without tuition fee.	
Management board meetings, directive committee meetings and financial planning meetings available only for the directly involved in such roles.	
Business unit weekly meetings.	
Local mandatory meetings for all employees.	
Informal interaction environments such as field trips, sports competitions, volunteerism, lunchtime, parties and other social events.	

### **Informants demographic characteristics**

The most visible pattern encountered in the study findings regarding the informants' demographic characteristics, was the one of age, related to disposition of change. Results demonstrated in one concrete case that one of the oldest employees in the company at first was totally reluctant to change the way of doing things. As individuals become older they have more aversion to change and take risks. This is a clear confirmation on how an employee from the operations department was aiming to keep in his/her comfort zone rather than move towards a state of new procedures, norms and beliefs, which he/she thought at the beginning was a waste of time, non-beneficial and thus ineffective. With time, the organization learned how to work more effectively in the implementation of the new system, and started a training program for the 'problematic' employee, which resulted on sharing experiences and wrongly preconceived beliefs from his/her side as thinking that changing routines and procedures was conducting nowhere. In fact the mentioned person was facing a tension between previous institutionalized learning and new learning. To solve this, organizational culture played a major role as an adaptation instrument supporting the organization in a changing environment as it discovered new ways to handle with problems.

All the findings are summarized in table 5a and 5b.

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Table 5a *Summary of key findings in the Logistics and the Operations Department*

Questions	Logistics Department	Operations Department
To what degree is changing routines, rules, procedures or diagnostic systems part of your daily job?	The business doesn't allow routines. Innovation is key. Values & procedures remain stable, likewise organizational culture	Not established routines. Focus on critical issues
To what degree do you experience the development of shared understandings as part of your daily job?	Specialization is essential. Shared understandings contribute to continuous improvement. Customer service is responsibility of the entire organization.	
Can you please describe how you do things around here? For instance, how do you treat a new need from one of your customers? How do you manage radical new ideas from employees? How do you handle a challenging customer? How do you manage complaints from customers?	New needs seen as excellent opportunities. New customer ideas held under the program: Customer Focus Team.	One of the oldest employees reluctant to change, regarding new system implementation.
How do you think the company is able to react to new needs from customers and new regulations in the form of changes in routines, rules, procedures or diagnostic systems?	Internal & external regulations constantly change. All departments have to be informed of the new customs statute.	Share best practices. Collective learning. Tasks optimization. Reserved with information sharing.
Do you think the organizational structure of the company has an impact on the organizations' behavior?	Vertical structure. Critical decisions taken by top senior managers. Hierarchical levels. Sometimes there is a lot of triangulation to solve problems. Rigid and inflexible organization.	
How do you think the company is related to continuous improvement and management leadership engagement?		
What happens when your followers come to you with new ideas? What do you do with them? Does this happen frequently?	Is important to know which is the right moment and environment to present a new idea. Ideas are analyzed, discussed and evaluated. There are spaces to think other ways to perform things.	New ideas don't emerge frequently. Processes suffer minor changes. Brainstorming. Manager decides if ideas continue or not.
Do you consider your company a leader or a follower in terms of adopting new procedures or regulations that may come from both internal and external sources?	The company is a leader in adopting local procedures and follower for International regulations. Decisive orders come from main headquarters.	
Can you please provide me with practical examples of places where interactions; new experiences and interpretations take place within your company? How they work? Are they accessible for all employees?		

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*Table 5b Summary of key findings in the Sales Department and all Departments*

Questions	Sales Department	All
To what degree is changing routines, rules, procedures or diagnostic systems part of your daily job?	Everyday is full of different things	Constant changes part of their daily jobs. Diagnostic systems allow evaluate, adjust & prioritize activities
To what degree do you experience the development of shared understandings as part of your daily job?		Vital components of organizational learning: teamwork, info sharing, group discussions, and good communication.
Can you please describe how you do things around here? For instance, how do you treat a new need from one of your customers? How do you manage radical new ideas from employees? How do you handle a challenging customer? How do you manage complaints from customers?	Culture based on listening & understanding. Focus on providing benefits to customers not comprising the organizational values & interests. Fight against complaints using systems with best disposition and fairness.	Company welcomes new ideas. Culture of open doors. Improvements are supported, evaluated & tested. Special team receiving new ideas.
How do you think the company is able to react to new needs from customers and new regulations in the form of changes in routines, rules, procedures or diagnostic systems?	Teamwork. Group discussions. Sometimes we rely on the industry to solve problems.	
Do you think the organizational structure of the company has an impact on the organizations' behavior?	Even they recognize the organizational structure is vertical, some procedures are flexible.	Direct link between org structure & behavior.
How do you think the company is related to continuous improvement and management leadership engagement?		Recognize continuous improvement programs: Permanent trainings, team working & integration. Leadership is reserved to everyone. Leadership courses, promoting a collaborative culture.
What happens when your followers come to you with new ideas? What do you do with them? Does this happen frequently?		
Do you consider your company a leader or a follower in terms of adopting new procedures or regulations that may come from both internal and external sources?		
Can you please provide me with practical examples of places where interactions; new experiences and interpretations take place within your company? How they work? Are they accessible for all employees?		Learning arenas are accessible. To some of them not all employees have access to.

### **Chapter 5. Discussion**

This master thesis aims to answer how organizational culture influences organizational learning on a shipping company. The empirical findings prove that culture influences learning at different levels within the organization, Nonetheless not without the presence of other variables.

Organizational culture and organizational learning were examined across individual, group and organizational levels, focusing more at the organizational level, which at the end is the main concern of this research. The findings demonstrated that the process of learning initiates at an individual level, passing through the group level, and thus to the organizational level respectively. Individual and organizational learning are bonded together, and if individual learning does not take place, organizational learning does not occur. It is also identifiable in the answers that the use of dialogue is a way to engage in organizational learning. Finally as Castaneda and Fernandez (2007) recall, for learning processes to occur, a culture that facilitates learning is essential.

#### **5.1 Cultural change**

Regarding the management of new ideas, even though the company claims to be open to them as they have a culture of open doors, there was a situation in which one of the oldest employees of the company is visibly reluctant to change and feel unpleasant with the implementation of a new operative system aiming to improve the e-mailing activities. As the time passed, this person was pushed by the entire organization to re-evaluate his/her perspective of visualizing change as a positive and beneficial way to improve how things were done. Deal and Kennedy (1984) support this concrete case by describing culture, as “the way we do things here”, and that culture typifies a process, which is constantly renovated as newcomers learn how things are done and eventually become experts and instructors themselves. Crossan et al, (1999) also backs this

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situation by affirming that some of the organizational learning is embedded in the systems, structures, practices and strategies of the organization. Finally, learning-curve investigations have showed an improvement on performance as a result of experience with the use of new technologies, routines and/or processes (Gino, Bohmer, Edmondson, Pisano & Winslow, 2006).

### **5.2 Organizational structure**

The approach of facilitating arenas for the development of employees within the organization is designed to increase involvement and constant improvement and competitiveness. In this sense, the learning process is highlighted as a vital element of every modern organization. As a result, the organization creates a legitimate environment (culture), able to propagate learning. In connection to culture, internal integration and external adaptation are related to the concept of culture (Schein, 1985). Internal integration stands to structure and coordinate processes inside the organization such as leadership initiatives. On the other hand, external adaptation refers to the direction of the organization to its environment where all the actors are involved (end customers, competitors, stakeholders). Both dimensions must be well managed by organizations in order to prevail over time.

### **5.3 How organizational culture influences organizational learning**

#### **Socialization processes**

The findings show the occurrence of several socialization processes. All the informants recognize them, and at least once, each of them has participated in one. Examples include permanent trainings on new procedures, brainstorming exercises as a way to discuss new ideas generation, sharing of best practices within the operations department as a way to be more effective, and leadership courses aiming to improve the interaction between internal and external

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actors of the company, thus integrating them and creating a positive closeness sharing experience. Theory supports the findings as organizational socialization is a process of gaining organizational skills, where employees in this case, learn the norms and necessary roles to work within the organization (Maanen and Schein, 1979). Socialization processes also contribute to the improvement of communication and interaction, enabling better business results. Furthermore organizational socialization is the process through which organizational culture is preserved contributing to social integration and adaptation to the working environment (Louis, 1980). Finally it can be said, that a socialization process is a key component of the organizational culture directly influencing organizational learning.

### **Key values**

According to the company's website, vitality, innovation and a pioneering spirit are the main embedded and institutionalized driving values. These values are some of the main components of organizational culture, which are shared by most of the organization and shaped over time (Goleman, 2000). Even though each organization requires different combinations of cultural values, sub-cultures, which are generally present in large organizations, and found in the study, identify themselves as a distinct group, sharing their own set of values (Maanen and Barley 1985). The case demonstrated the existence of different sub-cultures between the departments, which constantly shares, transfers and communicates information among its members. Furthermore, there are other additional values perceived by the informants during the interviews. For example, a key informant from the sales department considers that the main values of the company are based on listening and understanding, and not about trying to impose anyone's criteria.

As for the sub-cultures, the findings showed that the logistics department has its own sub-

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culture, which differs from the operations and sales departments having more similar sub-cultures. Table 6 describes the differences between the two groups of sub-cultures present within the organization. For explanatory purposes, sub-culture A represents the logistics department and subculture B the operations and sales departments respectively.

Table 6 *Sub-cultures within the organization*

<b>Description of Sub-culture A</b>	<b>Description of Sub-culture B</b>	<b>Learning Process in Sub-culture A</b>	<b>Learning Process in Sub-culture B</b>
Most experienced.	Sometimes reserved with information sharing.	Shares information constantly and communicate it very well enriching their learning process.	Teamwork in every project avoiding blaming someone for mistakes and responsibilities.
Knows the functioning of the organization in detail, and which are the exact procedures, rules and norms to follow for every case.	In one occasion one of its members was reluctant to change.	Considers new ideas have a right moment and an adequate environment to be perfectly welcomed.	Brainstorming for new ideas generation.
Believe that shared understandings contribute to continuous improvement.	Sharing best practices mostly inside their own group, instead of doing it across the entire organization.	Seem to have a holistic perspective of the organization as mentioning that customer service is not unique only to the customer service department, operations department or commercial department; instead it is responsibility of the entire organization. Also they recall the importance of developing teamwork on both ends of the organization.	
Perceivable strong and structured sub-culture tending to be very descriptive, clear, deep and analytical during the interviews.	New ideas don't emerge frequently. Processes suffer minor changes.		



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### **Routines, rules and procedures**

The findings show that constant change is part of every informant daily activities. According to the operations department, a key informant says not having established routines. From the logistics point of view, both internal and external regulations constantly change, due to fluctuations in the market, economy, politics and nature of businesses. Nonetheless, the company itself follows many established routines, specially the ones related to programs aiming to engage employees in learning through formal and informal arenas. This includes, specific regulative processes that have a regular conduct of evaluation, feasibility, testing, decision-making and implementation. This has to do with new ideas management and its supportive activities already known by most of the organization like for example the Customer Focus Team programs, which the company establish specially to follow-up new customer requirements, involving employees from various critical business units that should and may intervene in order to propose solutions that satisfactory fulfill customers' needs. In this case the theory supports the findings as some of the learning enhanced by the organization is embedded in the systems, structures, routines and practices (Crossan et al., 1999). Furthermore, organizational learning from routines has broadly been acknowledged to be one of the main issues for organizations to sustain competitive advantage within changing environments (March, 1991; Cyert and March, 1963; Easterby-Smith and Lyles, 2003; Feldman, 2000; Levitt & March, 1988; Zollo & Winter, 2002). As all the informants recognize change as a fixed variable in their daily activities, and one informant of the operations department claims not having determined routines, Pentland and Feldman (2005) argue that routines can be considered as constantly evolving and changing constructs subject to organizational learning processes.

When asked if socialization processes took place whenever new regulations were launched, one informant from the logistics department said this was mostly a task responsibility of both the

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commercial and operations department. Even though, sometimes information regarding new regulations was not shared and communicated to the logistics department, the informant's response demonstrate a lack of interest and commitment in knowing that mentioned information. This clearly shows a disrupt in the acquisition of learning at an organizational level. In this particular example, the three main conditions for learning processes to occur are not reached. The culture is not facilitating learning, training development processes, and transference of information (Castaneda & Fernandez, 2007). Furthermore it is the transfer of learning from individuals and groups that becomes institutionalized in the form of systems, structures, strategies and procedures (Hedberg 1981; Shrivastava 1983), which is not happening either.

In order to sum up the discussion on how organizational culture influences organizational learning, Figure 4, a modified version of Figure 1, helps in disclosing the components of the culture that support learning, according to the findings and the theory. Figure 4 is a modified version of Dobni's (2008) model of how organizational culture influences organizational learning. The figure, which is an important part of the contribution of this thesis, is developed in order to match findings with theory. One modification is that 'daily tasks' box was erased, as it was not supported with the gathered data from informants. Additionally, no sufficient information about daily tasks was revealing to be included in the analysis. Moreover, a new box named 'Organizational Structure' was added to show that this component has an impact on both organizational culture and organizational learning. Question number eight in the interview guide asked if the informants considered. All the informants agreed in considering organizational structure to have a direct impact on the organizations' behavior, which is also supported by theory. In their 'Organizational Behavior' book, Bauer and Erdogan (2009), state that organizational structure is an effective control mechanism for ruling employees' behavior. Also, the learning arenas within the analyzed organization are directly connected to socialization

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processes as employees learn organizational values, norms and behaviors deep seated in the culture.

Furthermore, all the arrows from the original model were intentionally altered in the sense they are now pointing back and forth on both organizational culture and organizational learning respectively. To explain this, Crossan et al. (1999), argue that feed-forward processes exist in an organizational learning framework at individual, group and organizational levels, as a dynamic process where the environment is constantly changing. For example 'socialization' is a feed-forward process seen in Figure 4, as the transference of learning becomes institutionalized in the organization, and not to forget that organizational socialization is the process through which organizational culture is preserved. Finally, other qualities such as hierarchy and sub-culture elements, where revealing patterns found, both supported by theory and findings.

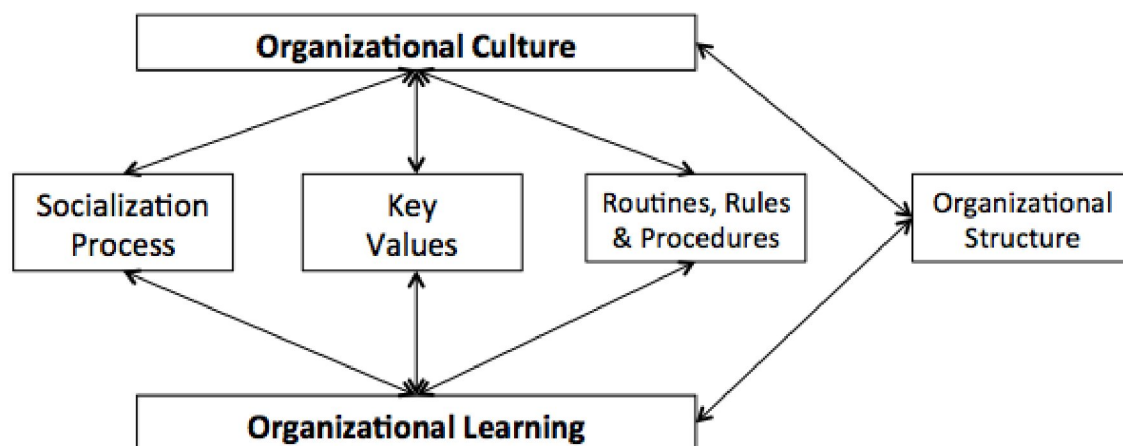


Figure 4. *Modified model of the Relationship between Organizational Culture and Organizational Learning* Note. Own elaboration on the basis of: Dobni 2008: 544.

### Chapter 6. Conclusions

In this chapter conclusions, limitations and suggestions for further research are presented.

This study deals with the influence of organizational culture on organizational learning inside the shipping industry. In order to have a clear view of both concepts, socialization processes, rules, norms, regulations and daily tasks are reflected.

This study is generalizable to theoretical hypothesis as a result of exploratory purposes; nevertheless, the aim is not to research and deepen in all the factors involved in organizational learning, but to investigate some of them, which are key to understand how organizational culture has a direct impact on organizational learning. By introducing applicable theories, which have been augmented by a qualitative case study, this thesis contributes with analytical generalizations.

The main research question of the study is: *How does organizational culture influence organizational learning in a shipping company?* This study discloses that having a culture oriented on learning allows organizations to feel more entrusted to learn. Also the importance of sharing and transferring information is key for learning processes to occur.

The first sub-question is: *Which components of organizational culture are especially important for organizational learning?* The main findings demonstrate that socialization processes, organizational values, routines and procedures are key components included in organizational culture that are intrinsically valuable for reaching organizational learning. in addition other cultural factors, such as sub-cultures, and demographic characteristics, are found to influencing learning. The second sub-question is: *How is organizational structure related to an organizational learning culture?* Organizational structure, including the hierarchy, impacts both organizational culture and organizational learning by affecting the organizations' behavior towards learning processes. Moreover it is discovered that the structure of an organization has a

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direct relationship on whether an organization learn effectively or not. This depends on the establishment of learning arenas, which play a major role in communication and new ideas generation.

This research has both theoretical and practical connotations. It enriches the theory of culture and learning at an organizational level, and expands the field by performing a case study within a Colombian shipping company. Additionally, the study supports organizational learning theory in the context of building strong organizations by acknowledging the importance of implementing a culture that empowers organizations to learn, change and adapt to rapid changes within the environment. The practical connotation is related to the question of which factors may improve how things are done from an organizational point of view. This study can be used as framework for companies, managers, human resources specialists, leaders and coaches to manage employee's involvement in learning processes with the help of a defined culture, new initiatives and commitment to reach common goals.

### **6.1 Limitations and suggestions for further research**

This study undoubtedly has some limitations that may serve for future improvements and broaden research. One of the main limitations encountered along the way is the fact of generalizability. This concept implies that in the case of conducted interviews, generalizations of the results to the population of shipping companies can commonly not be done, because small samples were analysed and the collected data came from just one company within the shipping industry. However, generalizations to theory may be done.

Furthermore, all informants were mid-experienced executives. The non-executives points of view about organizational culture and organizational learning is therefore not directly

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investigated. Finally, the study is performed within one single context. Further research should study, various branch offices around the globe with informants from different nationalities. As a general note, research studies involving organizational culture and organizational learning specially focused on shipping companies located in South America is very poor. Giant steps must be covered to keep building the road.

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## Appendixes

### Appendix A – Observation guide form

OBSERVATION GUIDE	
Inquiries	Notes
Company's general environment.	
How employees within the company interact to each other? Do they use informal or formal use of language?	
How many informal chats do I observe	
Is there a collaborative environment where employees help each other?	
How the environment feels like from an outsider perspective? Does it look like a climate creator environment where individuals can freely socialize between each other?	
Is furniture and architecture inviting to informal chats?	

**Appendix B – Interview guide gratitude & confidentiality consent form**

*Title of study:* How does the organizational culture influence on the organizational learning of a shipping company?

*Study researcher:* Jorge Mario Garzón Jiménez

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*Invitation to participate & study description*

As one of nine mid experienced executives selected within this shipping company, you are invited to participate in a research study about organizational learning and organizational culture. Specifically, which components of the culture influence learning, according to your professional experience, and what happens with the generation of new ideas and adoption of new procedures from both external and internal sources. By agreeing to make part in this research study, you are allowing me to interview you once this spring. The interview should take no more than sixty minutes. I will be recording the meeting to avoid losing valuable information and comments. Also I will be taking some notes along the session.

*Risks & benefits*

This research study does not comprise any type of physical harm. You will only be asked 14 questions about the topic in mention. Despite this study is not created to help you professionally or personally, the information given by you will help me to grasp a better understanding on how organizational culture influences organizational learning inside your company, and at which levels does this occurs (individual, group, organizational).

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### *Confidentiality*

All the information you provide and the findings of this study will be kept confidential and only be used for academic purposes. This implies that the interview will only be shared with some members of the academic community, ensuring that all the information contained in it, will not uncover your identity. The information gathered in this study may be published in scientific journals and presented at determined meetings, but as mentioned lines above, your identity will not be delved.

### *Right to refuse or withdraw*

The choice to participate in this research study is fully up to you. You may refuse to make part in this study and also choose not to answer all the asked questions. Please remember that you are not obliged to talk or mention anything you don't feel comfortable with, and you may also put an end to the interview at your wish.

Before continuing, are there any questions, doubts or inquiries you want me to explain?

Finally, are you willing to participate in this interview?

## Appendix C – Interview plan information

### INTERVIEW PLAN INFORMATION

<b>Name of Interviewer:</b>	Jorge Mario Garzón Jiménez
<b>Interviewee Codes*:</b>	F2FI1 to F2FI9 (Experienced Mid Executives)
<b>Company Departments:</b>	(1) Sales, (2) Operations, (3) Logistics
<b>Number of Interviews:</b>	(9) in total, selecting (3) candidates for each of the (3) choosen departments
<b>Place of Interview:</b>	Shipping Company Headquarters
<b>Country of Interview:</b>	Colombia, South America
<b>City of Interview:</b>	Bogotá, Capital District
<b>Date of Interview:</b>	Spring - March 2016

\* Confidentiality Agreement between the Interviewer and the Interviewee where the last one remains anonimous.

\* F2FI1 coded as the 1st interview and F2FI9 as the 9th and last interview.

### INTERVIEW PLAN SCHEDULE

#### MARCH 2016

Time (GMT)	Week #	Monday	Tuesday	Wednesday	Thursday	Friday
09:00 - 10:00	12	21st Holiday: St. Joseph's Day	22nd (F2FI1)		24th Holiday: Easter	25th Holiday: Easter
8:00 - 9:00	12			23rd (F2FI2)		
12:00 - 13:00	13		29th (F2FI3)			
16:00 - 17:00	13		29th (F2FI4)			
14:00 - 15:00	13			30th (F2FI5)		
8:00 - 9:00	13				31st (F2FI6)	
13:00 - 14:00	13				31st (F2FI7)	

#### APRIL 2016

Time (GMT)	Week #	Monday	Tuesday	Wednesday	Thursday	Friday
8:30 - 9:30	13					01st (F2FI8)
11:30 - 12:30	14		05th (F2FI9)			

## Appendix D – Interview guide

Interview Guide
Questions
<ol style="list-style-type: none"> <li>1. For how long have you been working in this company? Can you tell me briefly about your working experience within this company?</li> <li>2. Can you please describe in short your professional and academic background?</li> <li>3. To what degree is changing routines, rules, procedures or diagnostic systems part of your daily job? Can you please give me some concrete examples?</li> <li>4. To what degree do you experience the development of shared understandings as part of your daily job? Can you please give me some concrete examples?</li> <li>5. Can you please describe how you do things around here? For instance, how do you treat a new need from one of your customers? How do you manage radical new ideas from employees? How do you handle a challenging customer? How do you manage complaints from customers?</li> <li>6. How do you think the company is able to react to new needs from customers and new regulations in the form of changes in routines, rules, procedures or diagnostic systems? Can you provide me with a practical example?</li> <li>7. Do you consider that organizational values and norms within the company influence on training, participation and knowledge share at an organizational level?</li> <li>8. Do you think the organizational structure of the company has an impact on the organizations' behavior? Can you provide me with a concrete case?</li> <li>9. How do you think the company is related to continuous improvement and management leadership engagement? Can you provide me with a practical example?</li> <li>10. Which factors you think may improve how things are done within the company? Can you explain me in brief what is the process adopted by the company when new ideas/knowledge emerges? Is the working environment a part of this process? Is it helpful?</li> <li>11. What happens when you come up with a new idea on how to do things? What do you do with that idea? With whom do you share it with? How is the response? Does this occur frequently? Can you please come up with a concrete story/case?</li> <li>12. What happens when your followers come to you with new ideas? What do you do with them? Does this happen frequently? Can you please come up with a concrete story/case?</li> <li>13. Do you consider your company is a leader or a follower in terms of adopting new procedures or regulations that may come from both internal and external sources?</li> <li>14. Can you please provide me with practical examples of places were interactions; new experiences and interpretations take place within your company? How they work? Are they accessible for all employees?</li> </ol>